

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

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**Employer Identification Number:
Contact Person - ID Number:**

Contact Telephone Number:

LEGEND

UIL 4945.04-04

B= Scholarship Program
C= Trustee
D= Group Home
E= Church 1
F= Church 2
G= website
H= Administrator
J= Trust founder

Dear

We have considered your request for advance approval of your grant-making program under section 4945(g)(1) of the Internal Revenue Code, dated November 2, 2009.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code and that you are classified as a private foundation as defined in section 509(a).

Your letter indicates that you will operate a grant-making program called B.

Your purpose is to engage in charitable activities by enhancing access to higher education. Preference is given to residents of D.

The purpose of B is to provide scholarships to certain academically qualified students who desire to further their education but need financial assistance in order to do so. The amount of each scholarship will be between \$ and \$. You expect to give 6 to 7 scholarships per year or the required amount that will enable you to satisfy Internal Revenue Code Section 4942 minimum distribution requirements.

OPERATING PROCEDURES

H will facilitate C's administration of the Fund. These procedures are subject to the Fund's governing documents and applicable law, which shall be in control in the event of an inadvertent conflict.

APPLICATION PROCESS

H will prepare and mail memos and flyers to all locations of D, E, and F. Students wishing to apply online will be instructed to go to G. Students wishing to submit paper applications should contact H. Additional documentation will be required to complete either type of application. Guidelines and instructions for completing the application can be found on the website and are

included with the paper application. It is the responsibility of the applicant to provide these additional materials in a timely manner.

APPLICATION DEADLINE

The deadline for submission of all information is February 1; all information must be postmarked on or before that date. Materials must be mailed in one envelope to you. H will review applications after the deadline and will contact applicants if any items are missing. If an email address is on the application, H will send a message by email. Applicants should check emails frequently. Applicants without email addresses will receive one postcard regarding missing materials. Failure to provide the missing materials within the designated time frame will result in an incomplete application. Incomplete applications will not be considered for scholarships.

APPLICATION CRITERIA

The initial selections will be based on the provisions and limitations provided in the Last Will and Testament of J. Eligibility criteria are as follows:

- Applicants must be high school seniors, high school graduates, or current undergraduates.
- Applicants must demonstrate academic achievement.
- Applicants must demonstrate worthiness and financial need.
- Applicants must demonstrate traits of high personal character and leadership.
- Preference will be given to residents of D.

Certain persons may not be eligible to apply for this scholarship. The following persons are generally ineligible to receive any scholarship offered by A.

- Any interested person including donor, trustee, selection committee member, advisory board member and staff members for your organization.
- The spouses and ancestors of interested persons.
- The children, grandchildren, and great-grandchildren of an interested person.
- Current employees of C and H, their spouses, ancestors, children, grandchildren, great-grandchildren and the spouses of such children, grandchildren, and great-grandchildren.

ADDITIONAL REQUIRED MATERIALS

- Official Transcript with grades, cumulative GPA and SAT/ACT scores posted through the latest fall semester. Note: If the school does not post SAT/ACT scores, it is the responsibility of the applicant to provide H with a copy of the score report from the College Entrance Examination Board.
- Signed terms of agreement found in application packet.
- Letter of recommendation from a teacher.
- Personal statement. Submit a one-page signed personal statement explaining why the scholarship is important to the applicant. The statement should include college and career plans.
- Attach a document signed by applicant listing academic honors, leadership, and community service.
- Singed copy of parent's Federal Tax Form 1040, pages one and two along with W-2 Forms for the last year.

COMMITTEE RECOMMENDATIONS

Recipients are selected by the Awards Advisory Committee which consists of the president of D, the pastor of E, and the pastor of F. The committee is required to provide minutes of each meeting held to recommend recipients. Each member must sign a conflict of interest policy at least annually and disclose all potential conflicts of interest as they may arise.

SELECTION PROCESS

The Awards Advisory Committee shall give consideration to the respective ability, educational goals, career ambitions, and the relative financial need to the applicants as deemed appropriate by the committee. This is a competitive scholarship program. Scholarships will be awarded on an objective and non-discriminatory basis with neither race, creed, color, religion, sex, age, national origin nor disability being considered. Selections are based on the information received from the application and the additional materials postmarked by the deadline. Decisions of the committee are final and justification for recipient selection(s) by the Awards Advisory Committee, H or C will not be disclosed under any circumstances.

Due to the U.S.A. Patriot Act, H is required to screen the applicants prior to submission of paperwork to the Awards Advisory Committee. H will review the applications of successfully screened applicants and prepare a summary report for the Awards Advisory Committee. The scholarships committee will notify H in writing of the names of those recommended to receive the scholarships. H will provide requested information to C. Once final approval has been given on the recommendations of the Awards Advisory Committee, H will notify the high school guidance counselors if they have winners from their schools and send award letters to the winners with detailed information about the scholarship. Unsuccessful candidates will be notified by H.

QUALIFIED INSTITUTIONS

The recipients may attend any accredited four-year college or university or vocational school of their choice. The institution must be an educational organization that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. To the extent the institution is involved in the selection of the recipients such involvement must comply with your policy of awarding scholarships on an objective and non-discriminatory basis as well as your conflict of interest policy.

ABOUT THE AWARD

The number of recipients and the amount of each scholarship may vary from year to year due to fluctuations in your value and/or applicable document restrictions. Subject to the trust terms, the awards will be applied to the cost of tuition, fees, books, and supplies, and should not exceed these costs. Checks will be issued directly to the college upon receipt of a grade/transcript and a request for payment form each semester. Recipients are required to access the request for payment form from the G home page. They must sign the form and submit it to their college to certify their enrollment and forward to your office by October 15 for the fall payments and by March 15 for spring payments. The award amount will be divided between semesters/quarters. Failure to submit the required materials will result in the permanent loss of the scholarship. Unused funds must be returned to A.

RENEWAL PROCESS

The scholarship is renewable for three additional years, or until a bachelor's degree is awarded, whichever is earlier. Current recipients will receive information on the renewal process from H. The scholarship will be renewable based on two factors: (1) minimum cumulative grade point average of 1.5 at the end of the freshman year and a minimum grade point average of 2.0 at the end of each academic year thereafter; and (2) a minimum class load of twelve semester hours. A grade point average falling below the required minimum at the end of any academic year will cause the scholarship to be renewed on a conditional basis or could result in permanent loss of scholarship funds. Grade reports will be required at the end of the fall term. An official transcript is required at the end of spring term. This information must reflect the name of the student, name of the college, and the student's college ID number. It is the responsibility of the recipient to request this information and send it to H.

MISCELLANEOUS INFORMATION

In the event of serious malfeasance, breach of traditional conduct, failure to provide requested materials, or conduct involving moral turpitude, a scholarship may be terminated at any time within the discretion of the Awards Advisory Committee and concurrence of the trustee, whose decisions shall be final and binding. Subject to terms of your documents, applicable law, and Internal Revenue Service requirements, these operating procedures may be amended at any time by the trustee in its discretion. Any modifications or changes shall be furnished to the members of the Awards Advisory Committee then serving.

RECORD KEEPING

Records and case histories will be maintained to keep track of all award distributions. The colleges and universities will be notified of the recipient names, social security numbers, award amounts and methods of payment. Records will be maintained on each recipient to track payments, transcripts and other correspondence. An annual report will be provided to the donor on the progress of the student.

Sections 4945(a) and (b) of the Code impose certain excise taxes on “taxable expenditures” made by a private foundation.

Section 4945(d)(3) of the Code provides that the term “taxable expenditure” means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

In addition, we have determined that awards made under your procedures are excludable from the gross income of the recipients subject to the limitations provided by section 117 of the Code.

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(1) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Form 6110
Notice 437
Redacted 6110 letter